Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Credit Unions (Northern Ireland) Order 1985. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

STATUTORY INSTRUMENTS

1985 No. 1205 (N.I. 12)

The Credit Unions (Northern Ireland) Order 1985

- - - - - - *31st July 1985*

Modifications etc. (not altering text)

C1 Order power to amend conferred (21.2.2009) by Banking Act 2009 (c. 1), **ss. 159**, 167, 263(1) (with s. 247); S.I. 2009/296, arts. 2, **3**, Sch. para. 3

C2 Order power to amend conferred (24.1.2013) by Financial Services Act 2012 (c. 21), s. 50(2)(g) (with Sch. 20); S.I. 2013/113, art. 2(1)(a)

Introductory

Title and commencement

1.—(1) This Order may be cited as the Credit Unions (Northern Ireland) Order 1985.

(2) This Order shall come into operation on such day or days as the Head of the Department may by order appoint[F1].

F1 fully exercised by SR 1986/108

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954 shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

(2) In this Order—

[[F2] " the 2000 Act " means the Financial Services and Markets Act 2000; **]**

"amendment", in relation to the rules of a credit union, includes a new rule, and a resolution rescinding a rule, of the credit union;

"annual return" means the annual return which a credit union is required by Article 49 to send to the **[**[F3]FCA**]** ;

[[F4]"the appropriate authority" means—

(a) in relation to a credit union which is a PRA -authorised person, the PRA ; and

(b) in relation to a credit union which is not a PRA -authorised person, the FCA ; **]**

"authorised bank" means—

(a) **[**[F5]a person who has permission under **[**[F6]Part 4A**]** of the Financial Services and Markets Act 2000 to accept deposits;

(ab) an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to that Act which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to accept deposits;

(ac) a municipal bank, that is to say a company which, immediately before the 1st December 2001 fell within the definition in section 103 of the Banking Act 1987;**]**

(b) a trustee savings bank within the meaning of section 3 of the Trustee Savings Banks Act 1981;

(c) the National Savings Bank;

Sub.#para. (d) rep. by SI 2001/1149

[F7...

"board of directors" means the committee of management or other directing body of a credit union;

[F8"body corporate" includes a partnership regarded as a legal person under the law of the country or territory in which it was established;**]**

[F9"civil partner" includes former civil partner**[F10** and reputed civil partner**]**;**]**

[F8"corporate member" , in relation to a credit union, means—

(a) a body corporate that is a member of the credit union,

(b) an individual who is a member of the credit union in the individual's capacity as a partner in a partnership, or

(c) an individual who is a member of the credit union in the individual's capacity as an officer or member of the governing body of an unincorporated association;**]**

"credit union" means a society registered under this Order or a society registered under **[F11**the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969**]** as a credit union;

"the Department" means the Department of Economic Development;

[F12"electronic form" means a document or information sent by electronic means (for example, by email of fax), or by any other means while in electronic form (for example, sending a disc in the post);**]**

[F12"electronic means" means a document or information sent initially and received at its destination by means of electronic equipment for the processing (which includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means;**]**

[F4"the FCA" means the Financial Conduct Authority;**]**

[F13"the FCA's seal" means the seal provided for in regulations made under section 109(1)(b) of the Friendly Societies Act 1974;**]**

[F14"interest-bearing share " means a share issued on terms which entitle the holder to interest but not to a dividend;**]**

"meeting", includes, where the rules of a credit union so allow, a meeting of delegates appointed by members;

"member of the family", in relation to any person, means—

(a) his spouse**[F9** or civil partner**]**;

(b) any lineal ancestor, lineal descendant, brother, sister, half-brother, half-sister, uncle, aunt, nephew, niece, first cousin of his or his spouse**[F9** or civil partner**]**;

(c) the spouse**[F9** or civil partner**]** of any person within sub-paragraph (b);

(d) adoptive father, mother, son or daughter;

and for the purpose of deducing any such relationship—
Sub#para. (i) rep. by 1987 NI 22

(ii) an illegitimate child or step-child shall be treated as**[**F9 the legitimate child of the relationship in question**]**;

"non-qualifying member" means a person who remains a member of a credit union by virtue of Article 14(5) and includes, in relation to an amalgamated credit union or a credit union which has accepted a transfer of engagements, a person who does not have the required qualifications for admission to membership of that credit union but became a member of it by virtue of the amalgamation or transfer of engagements, having been immediately before the amalgamation or transfer a non-qualifying member of one of the amalgamating credit unions or, as the case may be, the credit union from which the transfer of engagements was made;

"officer", includes any treasurer, secretary, member of the board of directors, manager or servant of the credit union other than a servant appointed by the board of directors, but does not include an auditor appointed by the credit union in accordance with the requirements of this Order;

"order" except in Article 1(2), means an order made by the Department subject to affirmative resolution;

[F4"the PRA" means the Prudential Regulation Authority;**]**

[F4"PRA-authorised person" has the meaning in section 2B of the 2000 Act;**]**

[F8"partnership" means a partnership not regarded as a legal person under the law of the country or territory in which it was established;**]**

"persons claiming through a member", includes the heirs, executors or administrators and assignees of a member and, where nomination is allowed, his nominee;

F15...

"registered", in relation to the name or an office of a credit union means for the time being registered under this Order;

"registered rules" means the rules of the credit union registered under this Order as for the time being in force after any amendment of the rules so registered;

F15...

"regulations" means regulations made by the Department subject to negative resolution;

"spouse" includes former spouse and reputed spouse;

"statutory provision" has the meaning assigned to it by section 1(f) of the Interpretation Act (Northern Ireland) 1954;

"year of account" means any period required by Article 49 to be included in an annual return of the credit union.

[F16"year-end balance sheet" means a balance sheet relating to the position at the end of a year of account;**]**

[F5(2A) **[**F17In this Order, references to a deposit or accepting deposits and sub-paragraphs**]** (a) and (ab) of the definition of "authorised bank" in paragraph (2) must be read with—

(a) section 22 of the Financial Services and Markets Act 2000;

(b) any relevant order under that section; and

(c) Schedule 2 to that Act.**]**

(3) In this Order "the current year of account", in relation to the appointment of an auditor or auditors, means the year of account in which the question of that appointment arises, and "the preceding year of account" means the year of account immediately preceding the current year of account.

F18(4) . . . . . .

F2 Art. 2(2): definition of "the 2000 Act" inserted (31.3.2012) by Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), arts. 1(2), **13(2)**

F3 Word in art. 2(2) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 3 para. 2(a)** (with art. 3)

F4 Words in art. 2(2) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 7 para. 2(2)(c)** (with Sch. 12)

F5 SI 2002/1555

F6 Words in art. 2(2) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 7 para. 2(2)(a)** (with Sch. 12)

F7 Words in art. 2(2) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 7 para. 2(2)(b)** (with Sch. 12)

F8 Words in art. 2(2) inserted (23.4.2016) by Credit Unions and Co-operative and Community Benefit Societies Act (NorthernIreland) 2016 (c. 16), **ss. 1(1)**, 17

F9 2004 c.33

F10 SR 2005/479

F11 Words in art. 2(2) substituted (6.4.2018) by Credit Unions and Co-operative and Community Benefit Societies Act (NorthernIreland) 2016 (c. 16), s. 17(2), **Sch. 1 para. 21**; S.R. 2017/217, art. 2(d)

F12 Words in art. 2(2) inserted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 3 para. 4(a)(ii)** (with art. 3)

F13 Words in art. 2(2) inserted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 3 para. 4(a)(iii)** (with art. 3)

F14 Words in art. 2(2) inserted (23.4.2016) by Credit Unions and Co-operative and Community Benefit Societies Act (NorthernIreland) 2016 (c. 16), **ss. 3(1)**, 17

F15 Words in art. 2(2) omitted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 3 para. 4(a)(i)** (with art. 3)

F16 Words in art. 2(2) inserted (23.4.2016) by Credit Unions and Co-operative and Community Benefit Societies Act (NorthernIreland) 2016 (c. 16), s. 17, **Sch. 1 para. 43**

F17 Words in art. 2(2A) substituted (31.3.2012) by Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), arts. 1(2), **13(3)**

F18 Art. 2(4) omitted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 3 para. 4(b)** (with art. 3)

The registrar and assistant registrar

F19**2A.** . . . . . .

F19 Art. 2A omitted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 3 para. 5** (with art. 3)

Registration as a credit union

Registration

3.—(1) Subject to **[**F20Article 13**]** a society may be registered as a credit union under this Order if—

(a) it is shown to the satisfaction of the **[**F21FCA**]** that the conditions specified in paragraph (2) are fulfilled;

(b) the rules of the society comply with Article 8(1); F22. . .

(c) the place which under those rules is to be the society's registered office is situated in Northern Ireland **[**F23;**]**

[F24(d) the society has made an application for a permission under Part 4A of the 2000 Act to accept deposits;

(e) the FCA is satisfied that, once registered under this Order, the society will satisfy, and continue to satisfy, the threshold conditions (within the meaning of section 55B(1) of the 2000 Act) for which the FCA is responsible in relation to the regulated activity of accepting deposits; and

(f) the PRA is satisfied that, once registered under this Order, the society will satisfy, and continue to satisfy, the threshold conditions (within the meaning of section 55B(1) of the 2000 Act) for which the PRA is responsible in relation to the regulated activity of accepting deposits. **]**

F25**[**F26(1A) . . . . . .

(1B) The PRA must notify the **[**F27FCA**]** in writing if it is satisfied as mentioned in paragraph (1)(f). **]**

(2) The conditions referred to in paragraph (1)(a) are—

(a) that the objects of the society are those, and only those, of a credit union; and

(b) that admission to membership of the society is restricted to persons each of whom has, in relation to all the other members, not less than one common bond.

(3) The objects of a credit union are—

(a) the promotion of thrift among its members by the accumulation of their savings;

(b) the creation of sources of credit for the benefit of its members at a fair and reasonable rate of interest;

(c) the use and control of members' savings for their mutual benefit; and

(d) the training and education of members in the wise use of money and in the management of their financial affairs.

[F28(3A) In paragraph (3) references to members do not include corporate members.**]**

(4) A common bond for the purpose of paragraph (2)(b) is—

(a) following a particular occupation;

(b) residing or being employed in a particular locality;

(c) being employed by a particular employer;